

**REVENUE MEMORANDUM ORDER NO. 9-2021** issued on February 19, 2021 prescribes the simplified guidelines and procedures on the use of Computerized Accounting System (CAS), Computerized Books of Accounts (CBA), and/or its Components, including Electronic Storage System (ESS), Middleware and other similar systems, particularly on the processing of the applications for Permit to Use (PTU)

The Order shall be applicable for any of the following:

- a. All Large Taxpayers (LTs) who are mandated to maintain or use CAS pursuant to Revenue Regulations (RR) No. 9-2009;
- b. All Non-Large Taxpayers (Non-LTs) engaged in business who opted to use CAS, CBA and components of CAS or CBA
- c. Taxpayers engaged in business who shall use ESS, Middleware and other similar systems

All taxpayers who intend to use CAS, CBA, and/or its Components, including ESS, Middleware and other similar systems (collectively referred to as "System") shall inform and register with the Revenue District Office (RDO)/LT Office where it is registered of its intention to use such system by submitting the requirements stated on the Checklist of Documentary Requirements (CDR) (Annex A). However, it is mandatory that the system to be adopted shall strictly comply with the Standard Functional and Technical Requirements set under Annex B of the Order.

All documents pertaining to the applications for the Registration of "System", shall be submitted manually or via electronic mail (e-mail). The Sworn Statement (Annex C) with the attached Summary of System Description, Commercial Invoices/Receipts/Document Description, Forms/Records and Reports Specification (Annex C-1) and the accomplished Standard Functional and Technical Requirements (Annex B) shall be submitted to the RDO/LT Office where the Head Office (HO) of taxpayer is registered, except under the following circumstances:

- a. Branch Office of the taxpayer adopts "System" ahead of its Head Office (HO). In such case, the application for registration shall be filed at the RDO where the Branch Office is registered with a Certification from the RDO where the HO is registered that it has yet to use the system/software.

In the event that the HO shall subsequently adopt the same "System", which was previously adopted by the Branch Office and duly registered with the RDO where the branch was registered, new registration documents shall be submitted by the HO to its RDO and a new Acknowledgement Certificate (AC - Annex D) shall be issued to the Head Office. The Annex of the AC shall indicate all the branches that are using the said system/software.

- b. Branch Office of the taxpayer adopts a "System" from other branches and its HO. In such case, the application for registration shall be filed at the RDO where the Branch Office is registered and a separate AC for the Branch Office shall be subsequently issued.

The concerned RDO/LT Office shall issue an AC (attached as Annex D), upon receipt of the complete documentary requirements prescribed herein. The AC shall be issued within three (3) working days from receipt of complete documentary requirements. The AC shall be valid unless revoked by the BIR upon discovery of its non-compliance with the provisions of this Order and other related revenue issuances during the conduct of post-evaluation.

Affiliated companies, sister companies, franchisees, closely held corporations, other similar companies related to a parent company shall register the "System" to be used with the RDOs/LT Office where the aforesaid companies are registered. This requirement shall be applicable regardless of whether these companies are sharing servers and using exactly the same "System" previously registered and used by the parent company or other related companies.

No system demonstration nor pre-evaluation shall be conducted as a condition for the Registration of "System". However, the RDO may clarify certain features indicated on the Sworn Statement and may request for an amendment of the Sworn Statement should there be items that needs to be included or clarified in such Sworn Statement.

Taxpayers who will avail the services of Tax Service Providers (TSPs) or third-party software provider for the use of a system/software must register such system with the BIR prior to the effectivity of their contract with the TSPs or third-party software provider. A Joint Sworn Statement (Annex E) with attached Summary of System Description, Commercial Invoices/Receipts/Document Description, Forms/Records and Reports Specification (Annex C-1) shall be executed by both parties, i.e., the taxpayer and the TSP or third-party software provider in such cases. Both parties must also include in their Joint Sworn Statement that the system/software has no facility that may suppress sales/income and/or other technical scheme that may affect the correctness of the sales for purposes of taxation.

Taxpayers who availed of the services of TSPs shall be required to keep and maintain all accounting records and other relevant financial data for a mandatory period of ten (10) years, pursuant to the provisions of RR No. 5-2014, in their principal place of business and should be made available to the BIR during audit and other enforcement activities that will be conducted by the authorized Revenue Officer of the BIR. In case of termination/expiration of contract, the taxpayer who availed of the services of TSP shall notify the RDO having jurisdiction over their place of business prior to the expiration/termination of contract with the developer/provider. Such termination/ expiration of contract shall automatically cancel the registration of "System".

Taxpayers with application for Accreditation of Cash Register Machines (CRMs)/ Point-of-Sale (POS) System (bundled or software only) and other sales receipting system/software that will be linked to a duly registered "System", shall be processed following the provisions on the accreditation and subsequent registration of the CRMs/POS Machines and other sales receipting system/software based on existing revenue issuances.

It should be noted that the registration of the CRMs/POS Machines and other sales receipting system/software shall be different from the registration of "System". Hence, salient details of the CRMs/POS Machines and other sales receipting system/software that will be linked to any "System" must be declared by the taxpayer in the Annexes of the Sworn Statement at the time of the registration of such System, to wit:

- a. POS Server/Machine Details, i.e., Brand, Model, and/or Serial Number; Software Details, i.e., Software Name and Version Number with Release Number if applicable; Machine Identification Number (MIN) and Permit to Use (PTU) Number; and
- b. Terminal Details – Machine Details, i.e., Brand, Model and/or Serial Number.

Taxpayer must submit an update of registration following the provisions of filing a new application in case of major system enhancement such as, but not limited to, any of the following:

- a. Change in the functionalities of the system, particularly on enhancements that will have a direct effect on the financial aspect of the system that includes modified computations and other financial-related issues that were considered;
- b. Addition or Removal of modules or **sub-modules** within the system that will have a direct impact on the financial aspect of the system;
- c. Change in the system/software Version or Release Number that will have enhancements on the financial aspect of the system; and
- d. All other enhancements that will be deemed as a major system enhancement based on the recommendation of the technical evaluators of the BIR.

In case a taxpayer is found to have used an enhanced/updated "System" without informing BIR prior to the use of such enhanced "System", the taxpayer shall be subjected to applicable penalty under existing revenue issuances. In case of any minor system enhancement, e.g., user interface modification, bug fixes, performance improvements, etc., the taxpayer must submit a written notification to the RDO/LT Office where it is registered, stating the specific minor enhancements on the system.

Taxpayers with duly registered "System", without system-generated principal and/or supplementary receipts/invoices, should apply for Authority to Print (ATP) such receipts/invoices based on existing revenue issuances. On the other hand, taxpayers applying for registration of their "Systems" that will use system-generated supplementary receipts/invoices but with manual BIR-approved principal receipts/invoices (with ATP), shall likewise be declared in the Sworn Statement and in its Annexes.

In case of systems downtime, taxpayers with duly registered "System", who are using computer-generated principal and/or supplementary receipts/invoices with system/software/application that has no redundancy or automatic switchover, shall be allowed to issue manual principal and/or supplementary receipts/invoices. However, manually pre-printed and pre-numbered principal and/or supplementary receipts/invoices with approved ATP reserved or set aside for use during systems downtime should not exceed one thousand (1,000) sets at a time.

It should be noted that system-generated principal and/or supplementary receipts/invoices must comply with the mandatory information required under Section 5 of RR No. 10-2015, as amended by RR No. 16-2018, except for the following which are applicable only to CRM/POS Machine:

- Machine Identification Number (MIN);
- Serial Number of the CRM/POS Machine; and
- Accreditation Details of the CRM/POS Supplier.

The taxpayers (Large and Non-Large) shall use books of accounts depending on its business requirements. However, these books of accounts/subsidiary accounting records must comply with the bookkeeping requirements and information prescribed under RR No. 9-2009.

Soft copy of the Computerized Books of Accounts and Other Accounting Records shall be registered with the RDO/LT Office where the HO/Branch is registered within thirty (30) calendar days from the close of the taxable year. It shall be in Standard Audit File (SAF) in compliance with RR No. 16-2006, as amended, and shall be saved in a Universal Serial Bus (USB) Drive or other electronic storage device, properly labeled with the name of the taxpayer and the taxable year. A transmittal letter showing the detailed content of the USB Drive label, i.e., File Name, Type and Size, must be prepared and submitted by the taxpayer and the same must be duly stamped registered and signed at the RDO/LT Office having jurisdiction over the Head Office and/or Branch Office/s. Should the taxpayer register an unaudited Books of Accounts and Other Accounting Records, the Auditor's Adjustments shall be submitted in soft copy.

Further, electronically archived information in the books of accounts and other accounting records/documents must be retained pursuant to existing revenue issuances.

All taxpayers with pending applications for PTU CAS, CBA, and/or its Components, which were filed with the National Accreditation Board (NAB) and are pending with NAB as of February 23, 2020 shall be processed under Revenue Memorandum Circular No.10-2020. All applications filed thereafter shall be processed following the provisions stated in this Order.

Further, those taxpayers with duly approved PTU as of the effectivity of this Order shall remain valid unless the issued PTU has been revoked/expired or the system has been enhanced without complying with the requirements in Section V (8) of this Order.